

CLASSIFICATION ~~CONFIDENTIAL~~ **CONFIDENTIAL**
 SECURITY INFORMATION
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

50X1-HUM

COUNTRY Bulgaria
 SUBJECT Economic - Internal trade
 HOW PUBLISHED Daily newspaper
 WHERE PUBLISHED Sofia
 DATE PUBLISHED 23 Aug 1951
 LANGUAGE Bulgarian

REPORT
 CD NO.
 DATE OF INFORMATION 1951

DATE DIST. 10 Mar 1952

NO. OF PAGES 9

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
 OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 80
 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION
 OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-
 HIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Rabotnichesko Delo.

DECREE ON IMPROVEMENT OF BULGARIAN INTERNAL TRADE

The following statement, issued by the Council of Ministers, is a criticism of Bulgarian internal trade and is followed by a decree on its improvement.

Retail Trade

The Ministry of Internal Trade, the Central Cooperative Federation, and their subordinate commercial organizations are lagging behind in the organization of the free market and still have not taken the proper measures to guarantee that the population will be supplied with items such as cloth, knitted goods, ready-made clothing, and footwear, etc., sufficient quantities of which exist at present in the country.

Trade activity in the small cities, and especially in the villages, is very poorly organized. In most villages the peasants cannot buy the goods they need from the village stores despite the fact that there are sufficient quantities of these goods in the country; they are forced to travel long distances to cities to buy what they need.

The retail trade organizations still do not maintain regular stocks of all kinds of goods and varieties in most of their stores; in many cases, some stores carry very small quantities of goods which cannot satisfy the constantly increasing needs of the population.

Even to this day, the majority of stores do not carry, and do not sell to the customers, all the different kinds of goods manufactured in the country. A number of seasonal commodities also cannot be found in the stores. For instance, at the beginning of spring and summer of this year, in many of the stores one could not find children's sandals, children's summer clothes, a number of sizes of ladies' and children's socks, shantung silk, and summer woolen cloth.

- 1 -

CLASSIFICATION ~~CONFIDENTIAL~~ **CONFIDENTIAL**

STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB		DISTRIBUTION													
ARMY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	FBI															

50X1-HUM

CONFIDENTIALCONFIDENTIAL

In the special stores for meat products, different kinds of sausages cannot be found regularly.

The retail trade establishments continue to buy uniform and low-grade goods from the wholesale commercial enterprises. For instance the "Naroden Magazin" (People's Store) State Commercial Enterprise, in its store at 5 Zhdanov Street in Sofia, as well as stores of the "Bakaliya" (Groceries) Municipal Commercial Enterprise and the "Narkoop" (People's Cooperative) Municipal Commercial Enterprise, sell low-grade enamelware.

Despite the stipulations of Decree 272 of the Council of Ministers and of the Central Committee of the BCP (Bulgarian Communist Party) of 20 March 1951, the stores continue to sell crudely made footwear.

At Vratsa, Blagoevrad, Stalin, Stara Zagora, Yambol, Pleven, and Gorna Oryakhovitsa, the people's soviets have not surrendered to commercial establishments, for the purpose of opening stores, a large number of commercial premises heretofore used for non-commercial purposes.

Certain cities such as Sofia, Plovdiv, and Khaskovo, where the commercial network has improved considerably, still lack a sufficient number of stores to supply the working people in the suburbs. Moreover, the larger part of the existing stores function in an unsatisfactory manner: they are not well arranged, nor regularly and thoroughly cleaned; they have not been redecorated so as to give a better interior and exterior appearance; and they still lack the necessary conditions for the development of a truly efficient service to the customers.

The Ministry of Internal Trade, the Central Cooperative Federation, and the people's soviets do not make sufficient efforts to increase efficiency in commerce and are very slow in adopting and spreading the fine examples set by the model stores. On the other hand, the present number of model stores is still small and insufficient.

The employees in some stores continue to greet customers in an unpleasant manner, do not help them in making their selection of goods, and do not strive to give them satisfactory service.

Another grave weakness of the Ministry of Internal Trade, the Central Cooperative Federation, and the state and cooperative commercial enterprises is that they still conduct the distribution of goods in a mechanical way, not studying the economic and local conditions of the different rayons in the country, not mastering sufficiently the economics of trade, and, as a result, very often dispatching goods to rayons and cities without taking into consideration the requirements and the needs of the population in these areas.

DECREE

For the elimination of these defects in retail commerce, the Council of Ministers decrees the following:

Retail Trade

1. Peko Pelovski, the Minister of Internal Trade; Peko Takov, the chairman of the Central Cooperative Federation; and the chairmen of okrug, okoliya, municipal, and village people's soviets shall take swift and resolute measures as follows:

- 2 -

CONFIDENTIAL**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

a. To transport promptly the great variety of goods which already exists in the country from the production enterprises to the working consumers in cities and villages; to increase the efficiency of the personnel in direct contact with the consumer; to supply state and cooperative retail stores in cities and villages with sufficient stocks of high-grade goods of various colors, patterns, models, and sizes, which can fill the seasonal demands; to assure that commercial enterprises supply the stores with such goods; and to order through the production enterprises new kinds of goods which will assure future diversification and improved quality of the supply of goods in the stores.

b. To study systematically, through the commercial establishments, the needs of consumers in the different rayons of the country and to examine the economic and local conditions in these rayons, by means of close contact with the working population, to ascertain whether the goods are distributed by rayons in accordance with the needs of the population.

c. To improve the interior and exterior appearance of the stores and the arrangement of goods in them and to follow the examples set by the best stores and the best commercial employees.

d. To improve the service to customers; for example, the employees should help customers make their selections.

e. To develop socialist commercial competition by making awards to the best sales clerk, the best waiter, the best soda-fountain clerk, the best cook, the best store, and the best restaurant. Able commercial employees who have distinguished themselves should be given responsible positions.

f. To assure, through the commercial organizations, the most careful transportation and proper storage of goods.

g. To combat every kind of misuse and violation injuring the interests of consumers and the state. Commercial employees who measure incorrectly, make mistakes in their calculations, abuse the confidence put in them, or use state property for personal benefit should not be tolerated in the commercial branch.

2. The Minister of Internal Trade should prepare and approve assortment lists and obligatory minimum inventories which must always be carried in different categories of stores. He must fix the categories of stores selling the following: cotton, woolen, and silk cloth; cotton and silk knitted goods, footwear, and ready-made clothing, within 2 months, and stores selling foodstuffs, household articles, furniture, stoves, beds, and electrical appliances, within 3 months.

3. Commercial sections of okrug, okoliya, municipal, and village people's soviets, as organs of the Ministry of Internal Trade and the people's soviets, should direct and organize commercial activity locally. They are required to take constant care that the state and cooperative commercial organizations supply stores in cities and villages regularly with varied and high-grade goods, which must correspond to the economic and local requirements of the population and to the seasonal needs. They must study the demand for goods on the spot. On the basis of their observations, they must make well-calculated and convincing demands for goods, indicating quality, variety, and quantity, to their superior organs. They must insist that their demands be included in the plan and must see to it that retail and wholesale commercial organizations receive the goods for retail sale, as prescribed by the plan.

The above commercial services are required to work for the systematic development of the commercial network; for the constant improvement, on the part of the state and cooperative commercial organizations, of the interior and

- 3 -

CONFIDENTIAL**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

exterior appearance of the stores in cities and villages; for higher efficiency in commerce and better service to the working people by the commercial employees; and for the application of the method of socialistic competition in commerce. They must constantly supervise all state and cooperative stores in their respective rayons to see if they observe the obligatory assortment and if they have their goods adequately stored.

4. The people's soviets are required to draw up plans within 2 months for improving and developing the commercial network in their respective rayons and to submit them for coordination to the Ministry of Internal Trade. Provisions should be made in these plans for a greater specialization of stores during 1951 - 1952.

A special government commission has been created, composed of the following: Rayko Danyanov, vice-chairman of the Council of Ministers; Pelo Pelovski, Minister of Internal Trade; Stoyan Tonchev, Minister of Communal Economy and Public Works; and Veselin Belomuzhov, vice-chairman of the State Planning Commission. It is entrusted with the task of examining and indicating the list of buildings which, according to the proposal of the Ministry of Internal Trade, should be turned over for commercial purposes, and must submit this list within a month for definite approval to the Bureau of the Council of Ministers.

The people's soviets must specify within 2 months the commercial buildings which are used for noncommercial purposes, cause them to be vacated, and turn them over to the retail commercial organizations for the development of the commercial network.

The "Naroden Magazin" Enterprise must enlarge its buildings for sale of ready-made clothing on the first, second, and third floors of the building on 4 Lege Street, and the "Sofzhilfond" (Sofia Housing Fund) Enterprise must vacate by 10 September of this year the area it occupies in the same building.

The following buildings in Sofia are turned over to the "Naroden Magazin" Enterprise, effective on the day of publication of this decree (a) the building at 9 Zhdanov Street, property of the "Sofzhilfond" Enterprise at Sofia; and (b) the building owned by the State Insurance Institute, at 4 Lege Street.

5. The Minister of Internal Trade must establish stores in the workers' quarters of the industrial centers of the country.

6. In building new housing projects, all ministries, departments, people's soviets, and organizations are required to set aside the ground floors for use as stores in every building of four or more stories and in every third or fourth building of three or less than three stories.

7. The Minister of Internal Trade, in collaboration with the president of the Sofia Municipal People's Soviet, must submit by 1 September 1951 a proposal for building a department store in the center of the capital.

8. The Minister of Internal Trade, the chairman of the Central Cooperative Federation, and the managers of commercial organizations must dismiss and refer to the judicial authorities for prosecution all persons who have committed abuses.

9. The provisions of item 35d of Decree 1511 of the Council of Ministers and the Central Committee of the BCP of 3 June 1950, concerning the measures for improvement of commerce by the end of 1953, are still in effect.

The Ministry of Internal Trade and the Ministry of Finance must work out a regulation controlling the expenditure of funds which are collected in accordance with item 35 of Decree 1511.

- 4 -

CONFIDENTIAL**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

10. The allowances for spoilage of foodstuffs, which come under retail commerce in accordance with instructions issued by the Ministry of Internal Trade, are approved.

The Minister of Internal Trade must draw up and approve within a month a regulation concerning the allowances for waste from black coal and charcoal, as well as wood for heating purposes. Retail commercial establishments handle these items.

11. The proposal of the central council of the General Labor Unions for organizing a public control over stores is accepted.

The central council of the General Labor Unions must draw up within 3 months, and coordinate with the Minister of Internal Trade all instructions concerning public control.

Wholesale Trade

The wholesale commercial organizations have not fulfilled completely the tasks assigned to them by the provisions of items 15, 16, 17, and 18 of Decree 1511 of the Council of Ministers and the Central Committee of the BCP as measures for improving commerce.

a. They have continued to sell indiscriminately to retail commercial establishments, without taking into consideration the needs of these establishments and of the population in the different rayons and cities; this has brought about surpluses of certain commodities in some rayons and cities and a lack of the same in other rayons; funds of retail commercial establishments have been frozen and the turnover of goods has been blocked.

b. They have not obtained goods in the largest possible variety from all production enterprises, thus artificially creating a scarcity of different goods in retail stores and hindering trade turnover.

c. They have continued to act with leniency toward production enterprises and have not demanded the punishment of managers of enterprises producing low-grade goods, but have accepted them without rejection, without evaluation, and without the imposition of fines. In this way, they have encouraged the continued production of such goods and have thus damaged the national economy.

d. They have not made adequate use of contracts with industry to assure the regular and timely supply of goods of different varieties and high quality and their distribution to retail commercial establishments for sale to the population.

e. It has been determined that, in certain cases, employees in wholesale commercial organizations have acted with negligence insofar as the proper preservation of goods is concerned. For instance, Tsvetan Angelov, the manager of the "Stroyamatmetiz" State Commercial Enterprise at Vratsa, has permitted the improper storage of iron beds and perambulators; as a result, their paint has chipped off and they have become unfit for sale. Ivan Vasev, the president of the Rayon Cooperative Federation at Blagoevgrad, has permitted the improper storage of ready-made clothing and footwear. The footwear has been thrown in a disorderly pile in the basement, and the clothes have been thrown over them; as a result, the footwear has lost its shape and the clothing has become wrinkled.

Because of this negligent storing of goods, valuable commodities are being sold to retail commercial establishments in bad condition and as low-grade goods.

- 5 -

CONFIDENTIAL**CONFIDENTIAL**

CONFIDENTIALCONFIDENTIAL

50X1-HUM

To eliminate the above defects in wholesale commerce, the Council of Ministers requires the following:

1. In accordance with Decree 545 of the Council of Ministers of 22 May 1951, the Ministry of Internal Trade, the Central Cooperative Federation, and the wholesale commercial organizations are required:

a. To purchase from all industrial enterprises the goods specified in the plan. These goods are to be purchased without refusal or rejection, regardless of the amount of such goods in warehouses. The goods which correspond to the prescribed quality requirements and the approved patterns will be sold to the public. Seasonal and other stock, which has been held for commercial purposes, will be received from the same enterprises.

b. To study systematically the market needs and the needs of the retail commercial organizations, and in accordance with this study, to place orders with the production enterprises for the goods in demand, to supply stores regularly with sufficient quantities of diversified goods needed by these stores. In planning their orders with industrial enterprises, wholesale commercial organizations are required to keep an account of the movement of goods in retail establishments. Production enterprises are required to produce the goods on order, according to the variety, patterns, sizes, and colors, as specified by the plan.

c. To store properly all goods in their warehouses.

2. When necessary, the Minister of Internal Trade is permitted to regulate the dispatching of goods to retail commercial establishments, according to market needs, and from one rayon to another, according to the economic and local needs of a given rayon. This must be done within the framework of the annual plan for the turnover of goods for the different rayons. Goods such as flour, sugar, etc., which are distributed by the Council of Ministers by means of special decrees, are excepted.

3. Wholesale commercial organizations should not purchase low-grade goods which do not correspond to the technical and quality requirements. When wholesale commercial organizations refuse to buy goods from industrial enterprises -- either because the goods are of a low grade or do not correspond to the technical and seasonal requirements, the approved patterns, or the variety specified by the contract -- a protocol should be drawn up in accordance with previously published decrees.

The Minister of Internal Trade, the chairman of the Central Cooperative Federation, and the managers of commercial organizations should prosecute those officials who are guilty of leniency in accepting low-grade goods, who do not safeguard the interests of the consumers. They should prosecute all those officials who accept low-grade goods in the warehouses of wholesale organizations and in the stores of retail establishments.

4. The Minister of Internal Trade, the Minister of Industry, the Minister of Supply and Food Industry, the Minister of Communal Economy and Public Works, the Minister of Electrification, the Minister of Forests, the chairman of the Central Cooperative Federation, and the chairman of the General Union of Artisan Production and Labor Associations are required to take the proper measures to assure the regular and prompt signing of annual economic contracts and the prompt delivery of goods.

- 6 -

CONFIDENTIAL**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

5. The Ministry of Internal Trade, the Central Cooperative Federation, and people's soviets must take prompt measures for enlarging and improving the warehouses of wholesale commercial organizations by utilizing new premises and by renovating existing ones.

During 1951 - 1952, state and cooperative wholesale commercial organizations are permitted to use 15 percent of the profits from their sales for renovation, maintenance, and installation of warehouses.

6. In order that goods in demand be put on the market and no freezing of materials be permitted, it is required that the Ministry of Industry, the Ministry of Supply and Food Industry, the Ministry of Communal Economy and Public Works, the Ministry of Electrification, the Ministry of Forests, the Central Cooperative Federation, and the General Union of Artisan Production and Labor Associations allow mass production of new kinds of goods for the needs of the population only after they have been approved by a council of the respective production branch, after the samples of these goods have been compared with the technical blueprints, and after their price has been approved by the Ministry of Internal Trade.

7. The Office of State Supply and Stockpiling is required to accept, within a month, from the Ministry of Internal Trade, and specifically from the "Stroyamatmetiz" and the "Naroden Magazin" Enterprises, the existing stock of automobile parts, machines, spare parts, and other goods which are not consumption commodities but which are used for supplying the different departments.

Reorganization of Trade

To coordinate commercial activity within okrugs and improving planning and accountability, the following steps are taken:

1. It is required that the Minister of Internal Trade reorganize within a month the "Obleklo i Obuvki" (Clothing and Footwear), the "Kolonialni Stoki" (Grocery Products), the "Toplivo" (Fuel), and the "Stroyamatmetiz" and "Naroden Magazin" State Commercial Enterprises on an okrug level with head offices at Sofia, branches at okrug cities and affiliated branches at other cities.

It is required that the Ministry of Internal Trade work out new position names in the position description tables of the commercial organizations for the following positions in their okrug branches: managers, chief accountants, managers of planning sections, and okrug inspectors. These must be included in the position description tables with the approval of the State Civil Service Commission within 10 days.

It is required that the Minister of Internal Trade issue regulations in connection with the organization and functions of branches and affiliated branches.

2. The directorate of the "Spetsialna Turgoviya" (Special Commerce), is detached from the main directorate of the "Naroden Magazin" Enterprise and becomes an independent enterprise with its own assets and liabilities and with a central office at Sofia and rayon offices and branches at various towns.

3. It is required that the Minister of Internal Trade organize at the main directorate of the "Naroden Magazin" Enterprise a special section for trade with precious metals, precious stones, products of same, and watchmaking.

- 7 -

CONFIDENTIAL**CONFIDENTIAL**

CONFIDENTIALCONFIDENTIAL

50X1-HUM

During the third and the fourth quarters of this year, the minister must open exclusive stores of this special section at Sofia, Plovdiv, Stalin, Ruse, Kolarovgrad, Pleven, Stara Zagora, Burgas, Turnovo, Vratsa, Vidin, and Khaskovo, a central workshop at Sofia for products of these metals, and watch-repair shops at Sofia and other cities.

The special section is entrusted with the purchase of precious metals, precious stones, and products of same through bureaus specially set up for this purpose. These articles are purchased from the public.

The Minister of Internal Trade and the Minister of Finance are required to: (a) draw up a list of precious metals and precious stones that may be bought from the population; (b) fix the purchase price of same; and (c) determine the use and purchase of precious metals, precious stones, and products of same.

4. The inventory, stock, and materials of the "Gradska Turgoviya" (City Commerce) State Commercial Enterprises at Bansko, Kotel, Malko Turnovo, Sozopol, Belogradchik, Kula, Kaspichan, Preslav, Nikopol, Ustovo, Smolyan, Ispikh, Etropole, Balchik, Koprivshitsa, Kavarna, Topolovgrad, Elena, Lyaskovets, Zlatograd, Ivaylovgrad, and Maritsa should be turned over to the "Narkoop" Enterprise and the general cooperatives beginning 1 January 1952.

The wholesale trade in these cities is to be carried on by the rayon cooperative federations.

5. In view of the prospects of a good crop and the increased production of agricultural products, and to improve commercial transactions at market places, it is required that okrug, okoliya, and municipal people's soviets examine in detail the situation of city markets, establish them at the most appropriate spots, organize and keep them clean, and set aside places for stands of farm workers' cooperatives and individual farmers.

It is required that the Ministry of Internal Trade, the Central Cooperative Federation, and people's soviets organize, through the state and municipal retail cooperative commercial organizations, a regular sale of industrial goods on market days at market places.

Wages in Retail Trade

To create interest and provide financial incentive for the employees in retail trade organization and thereby improve trade, the following decisions are taken:

1. Beginning 1 October 1951, a bonus system for labor in retail enterprises will be instituted, to encourage the fulfillment and exceeding of the plan for the sale of goods in stores and shops which sell industrial goods, as well as in the exclusive stores and shops for the free sale of food.

a. Store managers will receive 10 percent of their salaries for the quarter for fulfilling the quarterly plan for the sale of goods in their stores. They will receive 1.5 percent of their monthly salary for every percent they exceed the monthly plan of the store.

b. Vendors, salesclerks, and cashiers will receive a bonus of 5 percent of their salaries for the quarter for fulfilling the prescribed quarterly plans for the sale of goods. They will receive one percent of their monthly salaries for every percent they exceed the monthly plans.

- 8 -

CONFIDENTIAL**CONFIDENTIAL**

CONFIDENTIALCONFIDENTIAL

50X1-HUM

c. The bonus cannot be more than half the basic monthly salary for each given month.

d. In case of nonfulfillment of the monthly plan for the sale of goods, managers of stores, vendors, salesclerks, and cashiers receive the following salaries: for a fulfillment of 90 - 100 percent, managers of stores receive an amount corresponding to the fulfilled percentage of the plan for the sale of goods of the store, and vendors, salesclerks, and cashiers receive an amount corresponding to the fulfilled percentage of the plans fixed for them. For a fulfillment under 90 percent, managers receive an amount corresponding to the fulfilled percentage of the plan for the sale of goods of the store, and vendors, salesclerks, and cashiers receive 90 percent of their salaries, as computed from their plans.

It is left to the discretion of the Minister of Internal Trade to postpone the application of the bonus system to the end of 1951 in the case of those commercial enterprises and organizations which do not have specific plans for the sale of goods in their stores.

2. The Minister of Internal Trade, with the consent of the central council of the General Labor Union, has the right to fix the percentage pay which workers should receive for their labor and to issue orders to this effect to small retail businesses such as shops, booths, stands, and street vendors, which handle only one kind of merchandise.

The following factors should be taken into consideration for each item sold in computing percentage pay for employees in small businesses: wages, transportation, expenses, sorting expenses, packaging expenses, storing expenses, expenditures for damaged packaging, permissible spoilage, losses of goods, rent of premises, inventory, and upkeep of premises.

Percentage pay received by employees of small businesses cannot exceed a figure arrived at by deducting operational expenses and legal profit from the gross profit.

- E N D -

- 9 -

CONFIDENTIAL**CONFIDENTIAL**